OUR PEOPLE OUR FUTURE

SIXTY-FIRST ANNUAL REPORT, 1991

Mission Statement

The Nova Scotia Liquor Commission regulates the sale of Liquor products under the authority of the Liquor Control Act.

The Nova Scotia Liquor Commission shall strive to:

- operate in a socially responsible manner
- provide responsive and progressive consumer service with a variety of quality controlled products in modern facilities
- generate revenue as a retailer through efficient financial and operating practice
- provide its employees with progressive management, equality of opportunity and career development

The management and staff of the Nova Scotia Liquor Commission are dedicated to the principles of this mission statement

His Honour
The Honourable
Lloyd R. Crouse, P.C.
Lieutenant-Governor
of Nova Scotia

May It Please Your Honour:

I have the honour to submit herewith a Report of the Nova Scotia Liquor Commission for the fiscal year ended March 31, 1991.

Neil J. LeBlanc
Minister in Charge of
Administration of the
Nova Scotia Liquor
Control Act

The Honourable
Neil J. LeBlanc
Minister in Charge
of Administration of
the Liquor Control Act
14th Floor
Maritime Centre
1505 Barrington Street
Halifax, Nova Scotia

Dear Sir:

I Have the honour to submit herewith the Annual Report of the Nova Scotia Liquor Commission for the period April 1, 1990 to March 31, 1991.

I appreciate the opportunity of having served as Chief Commissioner during the past fiscal year and I look forward to the continuing challenges in the year ahead.

Sincerely yours,

Peter J. MacKeigan

92-05493/

A Letter To Our Owners, Employees and Customers

This was a challenging and busy year for the NSLC. We now are better equipped to meet all future demands. We have tried to recognize our strengths and weaknesses, our opportunities and challenges. Although we did experience volume declines and revenue losses, as a result of the overall state of the economy and a work disruption during labour negotiations, we managed to look at our organization and strategically focus on our goals and objectives for the future.

Financial Analysis

The NSLC reported income from operations of $109.5 million; a decrease of 2.9 per cent over the comparable period in the previous year. Volume decreased by 3.8 per cent providing further indication of the general decline taking place world wide in the liquor industry.

In accordance with the provincial legislation, the Commission directly pays the provincial cost of maintaining the RCMP in the province. This expense, amounting to approximately $35.7 million, is charged against the NSLC's income from operations. The RCMP expense increased 13.3 per cent over the previous year.

Despite the economy and our work disruption, we were able to achieve some financial objectives. We managed to contain expenses within our forecasted budget; favourable variance of 1.8 per cent for combined division responsibility.

Vision 2000

While the year was hallmarked by lower than expected business performance, it was also marked as the continuation of a period of significant internal change based on a new Mission Statement and Guiding Principles.

Recognizing the need to become more customer-oriented and market-driven, the Commission embarked on an Organiztion Renewal process called Vision 2000, primarily involving a "shared values" approach with every employee. Other initiatives of the renewal process have been a major reorganization, improved long range and strategic planning and budgeting, improved methods for organization cost containment and development of a more participative style of management, with streamlined operational reporting and new performance measures. Coupled with these changes are plans designed to address employee training and development and improved internal and external communications. The energy and commitment expended and to be expended in the future in the critical area of human resources is the subject of this year's theme and special article, *Our People – Our Future*.

In our pursuit of organizational change we recognize that it is a process and not a product and effective implementation will take several years. There has been a very high level of employee commitment to the program. While 1991 was a period of accomplishment in this area, much work remains yet to be done.

Property and Technical Development

Implementation of our point of sale (P.O.S.) system continued on schedule and at fiscal year end 73 stores were on line. We expect that by July 31, 1991 all 94 stores will be on the system. The total system has been designed to streamline accounting procedures and ensure valuable decision making information is available on a timely basis. Further and continuing software development will encompass integrated systems, such as payroll, inventory ordering and report generation. Our chilled beer program, which is only one of many programs in our Customer Service Plan, continued with equipment installed in 10 additional stores bringing the total to 66. Next year six stores are planned for cold beer. No new stores were opened during the year although market and research studies were done in several locations. Ongoing research was also continued on corporate subjects. Remodelling and refurbishment was carried out at a number of our existing

outlets. Commitment to ensure that our stores are well maintained, inside and out, has been and will continue to be a top priority.

Continuing Customer Service

Our successful Christmas Holiday Shop convenience store program was continued and three additional stores were opened bringing the total this year to eight. In the interest of increased customer service, store hours throughout the province have been monitored and will continue to be adjusted to satisfy customer needs and community events. We take pride in our product selection in our stores where we now list in excess of 1,500 products from around the world. Our Port of Wines stores and the P.O.W. sections in our regular stores have continued to provide and introduce ever changing specialty products to our customers.

Vision for the Future

As we move into next year, we have embarked upon a Long Range Strategic Planning course that will build on our strengths and take advantage of opportunities in our business environment. We know the commitment, in setting realistic, attainable performance objectives, surrounds the Management Team.

We also remain confident that the standards we set will enable us to successfully respond to our customers' requirements and needs, both internal and external.

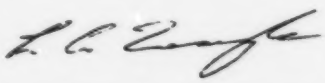
The long term financial outlook, in spite of the downturn of the economy, should reflect stable income from operations, since expense containment is one of our objectives over the next few years.

Some Words of Recognition

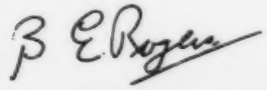
During the year 10 employees retired while 23 qualified for 25-year service awards and one qualified for a 35-year service award. We want to recognize and thank these senior long-service employees in particular and all employees in general for their valuable contributions, dedication and hard work in the past year, especially when we are undergoing major changes. Change is never easy, but through persistence, perseverance, participation and patience, we will all accomplish our goals.

We also wish to thank all government departments, boards, agencies, and enforcement bodies for their co-operation and support and extend a special appreciation to our suppliers who are valued partners in our progress towards serving our customers better.

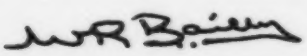
Although Mr. D.W. Pulsifer, General Manager and Chief Executive Officer, has been out of his office for the last few months, we know he would extend a sincere thank you to the Senior Management Team and associates who share our pursuit of building a progressive and prosperous organization. Until Mr. Pulsifer returns, the Executive Directors; Mr. B.E. Rogers, Mr. L.A. Weagle and Mr. W.R. Bailly have been assuming the General Manager's responsibilities.



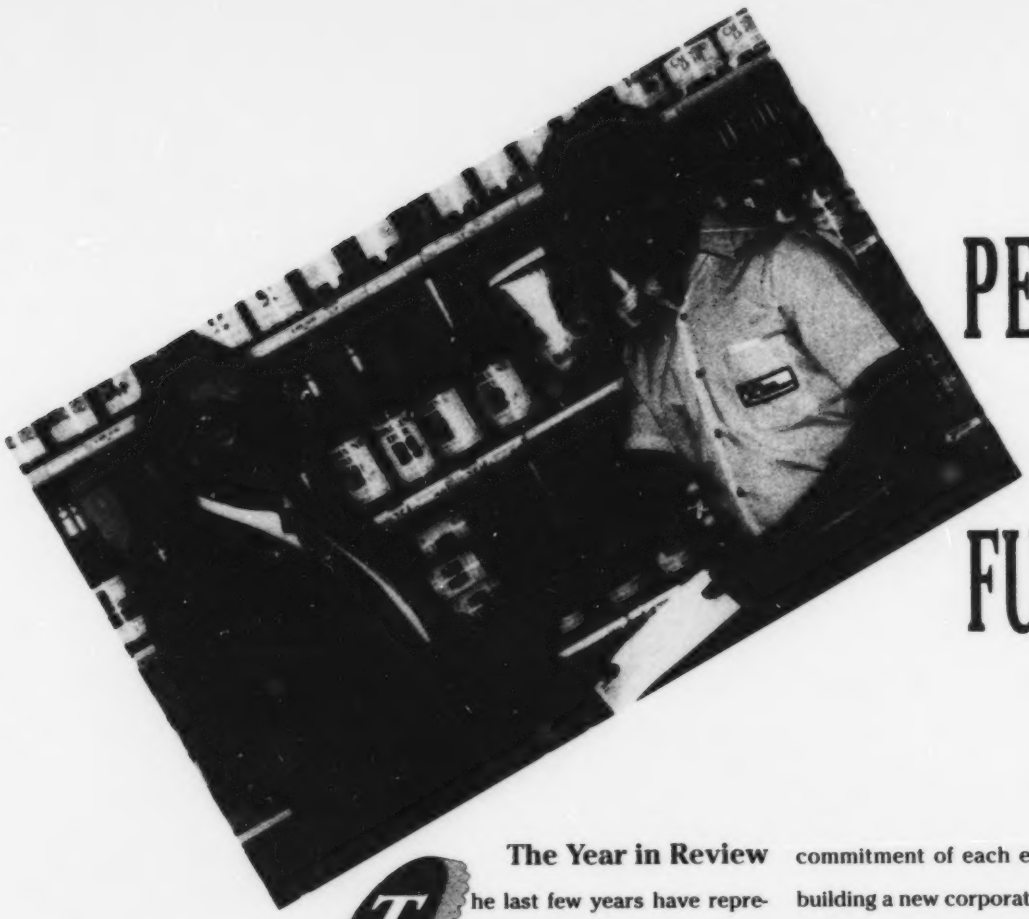
EXECUTIVE DIRECTOR, CORPORATE SERVICES



EXECUTIVE DIRECTOR, RETAIL SERVICES



EXECUTIVE DIRECTOR, PURCHASING AND DISTRIBUTION



OUR PEOPLE OUR FUTURE

General Manager D.W. Pulsifer at left with store clerk Jim White of Rockingham Ridge

The Year in Review

The last few years have represented a period of major change for the employees of the Nova Scotia Liquor Commission. We introduced our new mission statement and statement of values in October 1990 and began a major communications program, Vision 2000, to discuss the new customer oriented direction and focus with each employee. On November 6, 1991, the last of 57 staff presentations will be made to employees in the Sydney area, marking completion of the first phase of corporate renewal, which involved seeking the commitment of each employee to begin building a new corporate culture.

To provide excellence in customer service, our organization must keep in mind that its employees are vital internal customers, in particular, our Store Operations staff, the front line of our service delivery team. Critical to the success of this organization, therefore, is the ability of the NSLC to meet staff needs for information, development, self esteem, safety, security, and comfort.

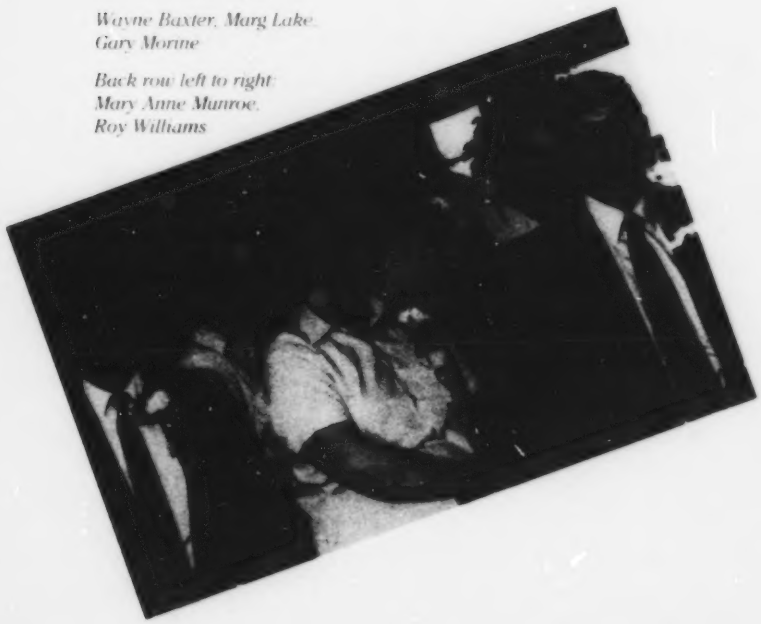
Over the past year, we have listened to what our employees think about the problems and challenges facing them. Their

input into the strategic planning process has been invaluable and has helped significantly in improving our appreciation of the job that lies ahead.

So What's Next

Our strategic goals are to provide excellent internal and external customer service and to be the most efficient and effective liquor board in Canada. We can achieve these goals through excellence in performance by each and every member of the NSLC. Based on what our employees have told us, we need to do a better job of communicating with each other and of developing staff knowledge and skills.

From our Wolfville store
front row left to right
Wayne Baxter, Marg Lake
Gary Morine
Back row left to right
Mary Anne Munroe,
Roy Williams

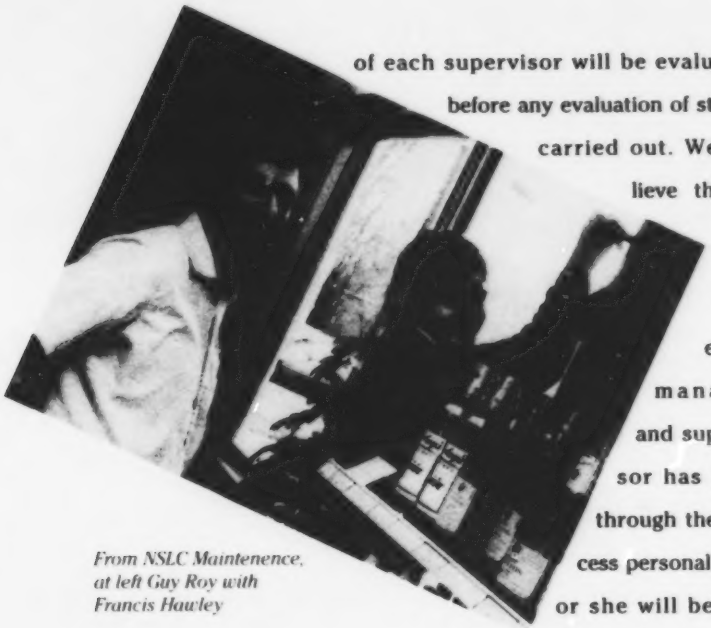


Communications

We're developing a comprehensive Employee Communications Program which should be in place in 1992. The program will ensure that every member of the NSLC has access to information that has or could have an impact on his or her employment. We will be establishing more formal procedures in each store to ensure that staff are kept fully informed on a regular basis of all policies, procedures, and developments affecting them and their store.

The NSLC will also continue to encourage employees to exercise greater initiative in communicating their suggestions, concerns, and recommendations for change so that we can all benefit from them. Regular, effective team meetings at every level of the organization break down barriers to effective two-way communication.

A new performance appraisal system is also being introduced. It will enable management to establish direct performance objectives and to better communicate with employees and provide them with an opportunity to participate fully in setting the standards, objectives, and evaluation criteria for their positions. The new system will be initiated in 1992 and will require a top-down versus a bottom-up approach. In other words, the performance



From NSLC Maintenence, at left Guy Roy with Francis Hawley

of each supervisor will be evaluated before any evaluation of staff is carried out. We believe that if every manager and supervisor has gone through the process personally, he or she will be in a better position to appreciate the importance of appraisals to the employee and to the NSLC.

Staff Development

As we improve our communications, we will also be concentrating on developing the knowledge and skills of each member of the organization. In order to raise the expertise of our store staff, beginning in the spring of 1992, we will be offering enhanced standard product knowledge and merchandising training programs reflecting the most recent developments in the liquor industry. We will be relying on our suppliers to supplement both of these programs with respect to content, and through their involvement in merchandising and display training.

At the same time, we will be encouraging all store managers to develop effective communication and management skills. They must be assisted in developing their roles as coaches and leaders through a comprehensive Management Development Program. The program will include communications, the fundamentals of supervision, human resource management, industrial relations, presentation skills, hiring practices, and a "Train the Trainer" component. This program is also expected to get off the ground in the spring of 1992.

In order to meet the safety needs of all of our employees, the NSLC is also instituting a mandatory safety training program for all staff. The program will include CPR and First Aid training for designated staff at all NSLC locations as well as accident prevention for all employees and their supervisors. All employees whose duties include operation of motorized storeroom vehicles will require appropriate training certification.

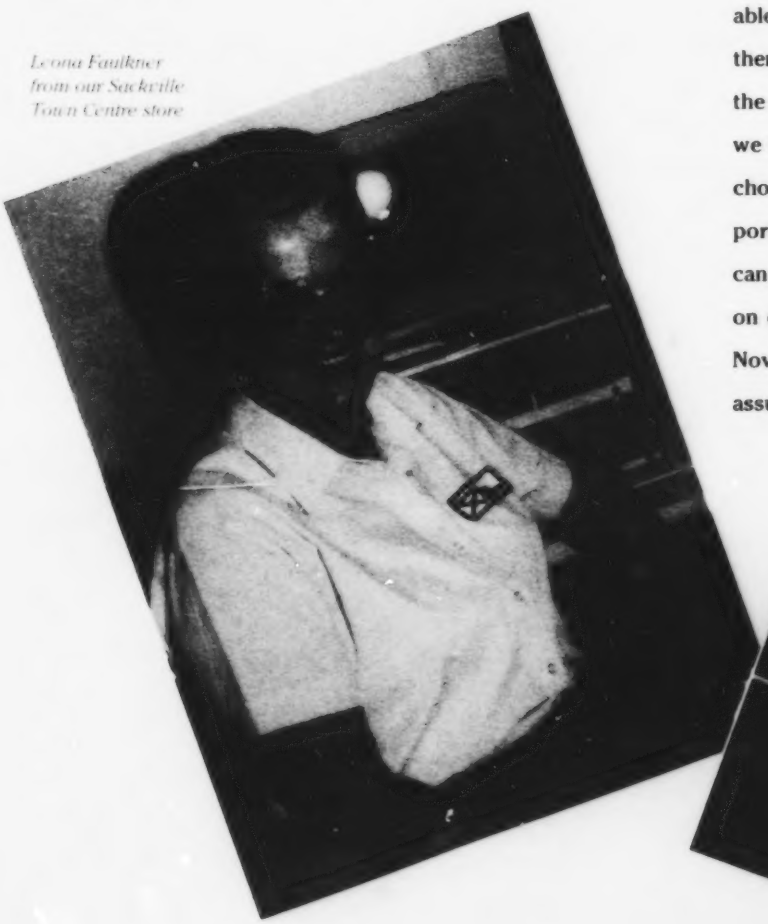
Staff Recognition

In 1991, we improved the existing annual awards presentations for long service employees. In 1992, the program will include award winners under our new Employee Recognition Program. The new program will include customer service awards, suggestion awards, outstanding achievement awards, and safety awards.

Employee Security

We feel that improving internal communications and developing our management and staff will benefit the public of Nova Scotia and all of the various publics we deal with, including our employees, suppliers, owners, customers, and our public, because we will be able to provide a more professional and effective service delivery system. The organization that is seen as extremely effective is the one that will be able to do more in the future. Our future then, is very much within our control. In the months ahead, traditional views that we have held will be challenged. If we choose to view new developments as opportunities rather than problems, if we can be flexible in our approach and insist on doing what's right for the people of Nova Scotia, our future success will be assured.

Leona Faulkner from our Sackville Town Centre store



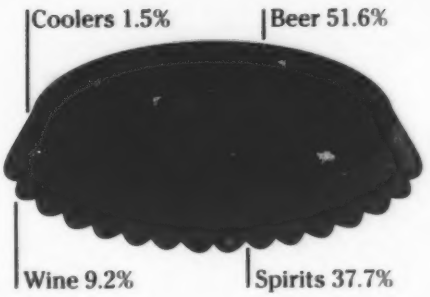
From left to right are Fred Miller with manager Scott Cosman at our Digby store

Source of Gross Liquor Revenue

Dollars to the nearest 000s (includes producer Sales)

Contribution of Beer and Coolers has increased since 1990; Wine contribution has remained stable; Spirit contribution has decreased.

	$	%
Spirits	$126,639.9	37.7%
Wine	$30,758.9	9.2%
Beer	$173,355.5	51.6%
Coolers	$4,994.3	1.5%
Total	$335,748.6	100.0%



General/ Licensee Sales

Dollars to the nearest 000s

Both General and Licensee sales dollars are down from last year. General Sales Dollars contribution to total sales increased slightly .2%; Licensee Sales dollars decreased at same percentage.

Spirits		
General	$113,331.2	89.5%
Licensee	$13,308.7	10.5%
Total	$126,639.9	100.0%

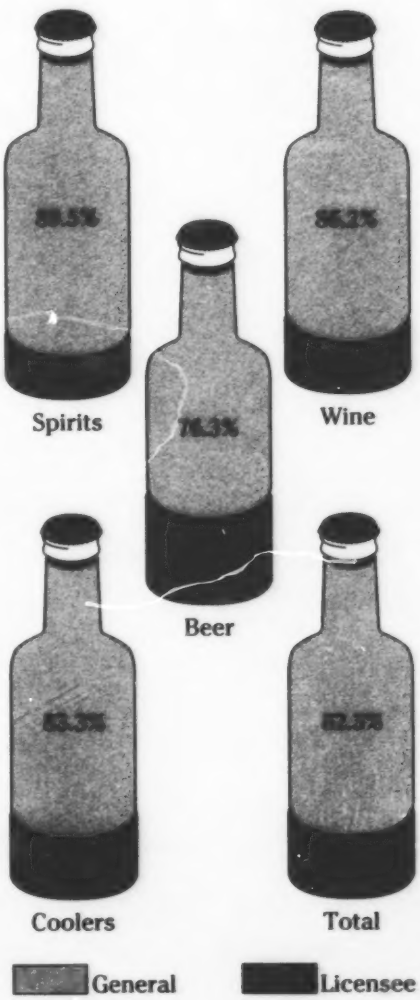
Wine		
General	$25,985.2	86.2%
Licensee	$4,173.4	13.8%
Total	$30,158.6	100.0%

Beer		
General	$130,113.3	76.3%
Licensee	$40,324.8	23.7%
Total	$170,438.1	100.0%

Coolers		
General	$4,161.4	83.3%
Licensee	$832.9	16.7%
Total	$4,994.3	100.0%

Total		
General	$273,591.1	82.3%
Licensee	$58,639.8	17.7%
Total	$332,230.9	100.0%

Producer	$3,517.7
Total Sales	$335,748.6



Canadian and Imported Sales

Source of Gross Liquor Revenue Dollars to the nearest 000s

89.7% of all our products sold are Canadian; 10.3% are imported. Imports have increased their share by .3% over last year.

Spirits		
Canadian	$109,037.0	86.1%
Imported	$17,602.9	13.9%
Total	$126,639.9	100.0%

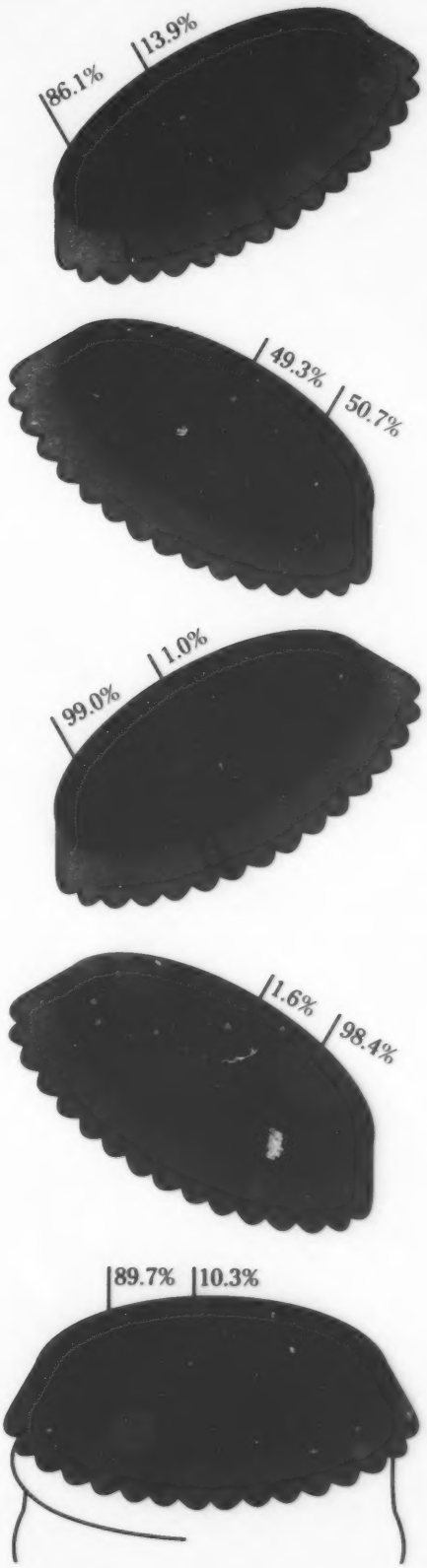
Wine		
Canadian	$15,279.1	50.7%
Imported	$14,879.5	49.3%
Total	$30,158.6	100.0%

Beer		
Canadian	$168,701.8	99.0%
Imported	$1,736.3	1.0%
Total	$170,438.1	100.0%

Coolers		
Canadian	$4,914.6	98.4%
Imported	$79.7	1.6%
Total	$4,994.3	100.0%

Total		
Canadian	$297,932.5	89.7%
Imported	$34,298.4	10.3%
Total	$332,230.9	100.0%

Producer	$3,517.7
Total Sales	$335,748.6



Distribution of Liquor Revenue Dollars

Two Year Comparison
Dollars to the nearest 000s

Net Operating profit as a percentage of sales is down from 1990; however, our Gross Profit percentage of sales has increased .3%

Cost of Sales
Cost of Store Operations
RCMP Expense
Administrative/Net Other Expenses
Total Profits

Cost of Sales
Cost of Store Operations
RCMP Expense
Administrative/Net Other Expenses
Total Profits

	1991	
	$	%
Cost of Sales	$180,170.0	53.7%
Cost of Store Operations	$30,985.0	9.2%
RCMP Expense	$35,754.0	10.7%
Administrative/ Net Other Expense	$14,985.7	4.4%
Total Profits	$73,800.0	22.0%

	1990	
	$	%
Cost of Sales	$184,470.7	54.0%
Cost of Store Operations	$29,076.5	8.5%
RCMP Expense	$31,553.1	9.2%
Administrative/ Net Other Expense	$13,434.9	3.9%
Total Profits	$83,349.0	24.4%

Five Year Sales Comparison

Dollars to the nearest 000s (Includes Producer Sales)

By Class of Sales

Spirits have increased over the last four years with the most current year showing a decline.

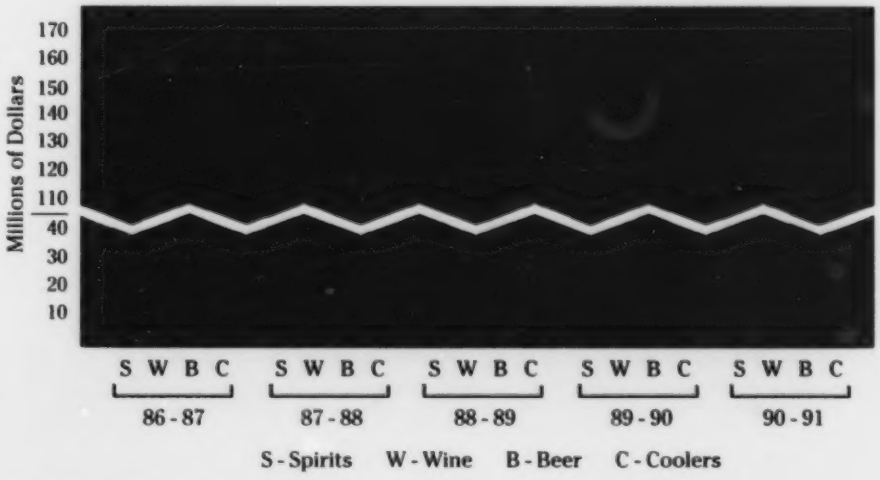
Wine — fluctuating increases and decreases over last five years.

Beer ran parallel to spirits; up four years, down most current.

Coolers — down in dollars over the last two years; up steadily previous three years, or since introduction of this category.

By Class of Sales

Year	Spirits	Wine	Beer	Coolers	Total
90-91	$126,639.9	$30,758.9	$173,355.5	$4,994.3	**$335,748.6**
89-90	$130,958.3	$31,380.4	$173,636.3	$6,001.3	**$341,976.3**
88-89	$126,524.7	$30,725.5	$159,802.6	$6,234.1	**$323,286.9**
87-88	$123,818.4	$31,416.4	$150,835.7	$5,335.4	**$311,405.9**
86-87	$121,691.1	$31,268.2	$141,256.9	$4,185.8	**$298,402.0**



Canadian vs. Imported

	Year	Spirits	Wine	Beer	Coolers	Total
Canadian	90-91	$109,037.0	$15,879.4	$171,619.2	$4,914.6	**$301,450.2**
Imported		$17,602.9	$14,879.5	$1,736.3	$79.7	**$34,298.4**
Canadian	89-90	$113,343.2	$16,201.0	$170,132.1	$5,894.8	**$305,571.1**
Imported		$17,615.1	$14,454.0	$1,635.4	$106.5	**$33,811.0**
Canadian	88-89	$110,197.6	$17,529.4	$158,404.8	$6,133.4	**$292,265.2**
Imported		$16,327.1	$13,196.1	$1,397.8	$100.7	**$31,021.7**
Canadian	87-88	$108,775.9	$17,896.1	$148,137.5	$5,224.3	**$280,033.8**
Imported		$15,042.5	$13,520.2	$2,698.2	$111.2	**$31,372.1**
Canadian	86-87	$107,731.8	$18,591.7	$139,944.6	$4,185.8	**$270,453.9**
Imported		$13,959.3	$12,676.5	$1,312.3	$0.0	**$27,948.1**

Licensee Sales

Year	Spirits	Wine	Beer	Coolers	Total
90-91	$13,308.7	$4,173.4	$40,324.8	$832.9	**$58,639.8**
89-90	$14,187.6	$4,529.9	$41,193.5	$948.9	**$60,859.9**
88-89	$13,668.1	$4,347.8	$38,782.8	$896.5	**$57,695.2**
87-88	$13,047.2	$4,336.7	$36,849.7	$769.3	**$55,002.9**
86-87	$13,149.8	$4,723.7	$35,759.0	$657.1	**$54,289.6**

Five Year Sales By Category In Hectolitres

In 1991, rum makes up 52.0% of the Spirit category, with whiskey second at 24.4%. Rum actually gained market share (.7%) from last year.

White table wine makes up 52.9% of the Wine category; with sherry and red table wine tied for second at 12.4%. In 1990 red table was third, thereby gaining market volume in 1991.

Category	1991 Hectolitres	% Category	% Total	1990 Hectolitres	% Category	% Total	1989 Hectolitres	% Category	% Total	1988 Hectolitres	% Category	% Total	1987 Hectolitres	% Category	% Total
Beer	583,781.9	100%	85.1%	615,673.2	100%	84.7%	617,569.8	100%	84.4%	622,981.6	100%	84.4%	622,143.3	100%	84.1%
Spirits															
Brandy	554.8	1.1%	0.1%	630.6	1.1%	0.1%	647.2	1.1%	0.1%	666.3	1.2%	0.1%	715.2	1.2%	0.1%
Vodka	7,085.2	13.6%	1.0%	7,271.3	13.0%	1.0%	7,114.2	12.5%	1.0%	6,985.0	12.1%	0.9%	6,848.5	11.7%	0.9%
Gin	1,510.4	2.9%	0.2%	1,659.1	3.0%	0.2%	1,733.2	3.0%	0.2%	1,871.9	3.3%	0.3%	2,016.4	3.5%	0.3%
Rum	27,088.3	52.0%	3.9%	28,661.5	51.3%	3.9%	28,890.1	50.6%	3.9%	28,677.7	49.7%	3.9%	28,910.0	49.5%	3.9%
Whisky	12,728.8	24.4%	1.9%	14,291.0	25.4%	2.0%	14,975.4	26.2%	2.0%	15,522.8	27.0%	2.1%	16,484.3	28.2%	2.2%
Liqueurs	3,125.5	6.0%	0.5%	3,453.2	6.2%	0.5%	3,742.1	6.6%	0.5%	3,832.6	6.7%	0.5%	3,430.5	5.9%	0.5%
Total	52,093.0	100.0%	7.6%	55,876.7	100.0%	7.7%	57,102.2	100.0%	7.8%	57,556.3	100.0%	7.8%	58,404.9	100.0%	7.9%
Wines															
Vermouth	281.9	0.7%	0.0%	302.7	0.7%	0.0%	316.3	0.7%	0.0%	328.9	0.7%	0.0%	379.1	0.8%	0.1%
Aperitif	1,341.6	3.4%	0.2%	1,281.6	3.1%	0.2%	1,218.2	2.9%	0.2%	1,193.1	2.6%	0.2%	837.2	1.7%	0.1%
Fruit	201.9	0.5%	0.0%	242.4	0.6%	0.0%	339.1	0.8%	0.0%	392.9	0.9%	0.1%	474.4	1.0%	0.1%
Cider	63.5	0.2%	0.0%	78.6	0.2%	0.0%	89.9	0.2%	0.0%	127.1	0.3%	0.0%	176.0	0.4%	0.0%
Communion	6.0	0.0%	0.0%	6.3	0.0%	0.0%	6.8	0.0%	0.0%	7.9	0.0%	0.0%	6.2	0.0%	0.0%
Kosher	13.6	0.0%	0.0%	15.5	0.0%	0.0%	14.3	0.0%	0.0%	21.0	0.0%	0.0%	37.6	0.1%	0.0%
Sherry	4,863.0	12.4%	0.7%	5,368.6	12.8%	0.7%	5,607.4	13.2%	0.8%	6,239.2	13.8%	0.8%	7,058.8	14.5%	1.0%
Madeira	0.0	0.0%	0.0%	0.0	0.0%	0.0%	18.8	0.0%	0.0%	3.8	0.0%	0.0%	2.1	0.0%	0.0%
Port	1,563.6	4.0%	0.2%	1,720.6	4.1%	0.2%	1,878.1	4.4%	0.3%	2,308.7	5.1%	0.3%	2,623.5	5.4%	0.4%
Table White	20,789.2	52.9%	3.0%	22,147.8	52.7%	3.0%	21,677.6	51.0%	3.0%	22,408.8	49.5%	3.0%	23,352.3	47.9%	3.2%
Table Red	4,861.3	12.4%	0.7%	5,031.8	12.0%	0.7%	5,086.7	12.0%	0.7%	5,184.8	11.4%	0.7%	5,543.1	11.4%	0.7%
Table Rose	717.4	1.8%	0.1%	718.6	1.7%	0.1%	657.4	1.5%	0.1%	796.4	1.8%	0.1%	921.3	1.9%	0.1%
Sparkling	4,367.4	11.1%	0.6%	3,907.1	9.3%	0.5%	4,390.1	10.3%	0.6%	4,945.4	10.9%	0.7%	5,786.2	11.9%	0.8%
Champagne	206.5	0.5%	0.0%	1,197.6	2.9%	0.2%	1,214.6	2.9%	0.2%	1,369.2	3.0%	0.2%	1,527.9	3.1%	0.2%
Total Wine	39,276.9	100.0%	5.7%	42,019.2	100.0%	5.8%	42,515.3	100.0%	5.8%	45,327.2	100.0%	6.1%	48,725.7	100.0%	6.6%
Coolers															
Canadian	10,539.7	98.3%	1.5%	12,691.6	98.1%	1.7%	14,203.6	98.4%	1.9%	12,414.2	98.0%	1.7%	10,611.7	100%	1.4%
Imported	178.8	1.7%	0.0%	245.3	1.9%	0.0%	236.6	1.6%	0.0%	256.3	2.0%	0.0%			
Total Coolers	10,718.5	100.0%	1.6%	12,936.9	100.0%	1.8%	14,440.2	100.0%	2.0%	12,670.5	100.0%	1.7%			
Grand Total	685,870.3	100.0%	100.0%	726,506.0	100.0%	100.0%	731,627.5	100.0%	100.0%	738,535.6	100.0%	100.0%	739,885.6	100.0%	100.0%

Sale of Alcoholic Beverages by Volume Per Capita

Litres per capita — 15 years and over — 5 year comparison

	1985	1986	1987	1988	1989
Spirits					
Newfoundland	8.7	9.8	8.7	8.9	9.0
Prince Edward Island	8.8	8.4	8.0	7.8	7.8
Nova Scotia	9.1	8.8	8.9	8.2	9.0
New Brunswick	6.4	6.3	6.1	5.8	5.5
Quebec	5.0	4.6	4.1	4.2	4.0
Ontario	9.1	8.7	8.7	8.9	8.8
Manitoba	9.9	10.1	9.0	9.2	8.9
Saskatchewan	10.2	10.2	9.8	9.7	9.2
Alberta	12.8	12.7	11.8	11.0	10.5
British Columbia	10.8	10.3	10.2	9.5	8.8
Yukon	16.5	15.2	15.4	16.3	14.0
Northwest Territories	15.9	15.4	13.9	14.2	14.3
Total	8.5	8.4	8.0	7.9	7.7

	1985	1986	1987	1988	1989
Wines					
Newfoundland	3.9	4.3	4.0	4.1	3.7
Prince Edward Island	5.5	5.8	6.1	5.7	5.6
Nova Scotia	7.9	7.8	8.1	8.7	7.6
New Brunswick	5.9	5.8	5.9	6.0	6.2
Quebec	13.3	14.3	13.8	14.8	15.2
Ontario	11.9	11.8	11.6	12.0	11.1
Manitoba	8.6	9.1	8.9	8.1	7.2
Saskatchewan	6.9	7.1	6.7	6.7	5.7
Alberta	12.6	13.7	12.4	11.8	11.3
British Columbia	20.3	20.6	20.6	21.1	19.4
Yukon	20.3	20.3	19.3	20.4	16.3
Northwest Territories	9.1	8.3	7.8	7.9	7.5
Total	12.5	12.9	12.5	12.8	12.3

	1985	1986	1987	1988	1989
Beer					
Newfoundland	121.4	93.1	120.9	124.9	125.3
Prince Edward Island	94.5	92.0	88.7	87.0	85.7
Nova Scotia	95.1	93.8	89.8	90.2	89.0
New Brunswick	96.0	93.2	88.1	88.4	85.0
Quebec	108.3	105.6	102.5	105.4	103.8
Ontario	107.4	111.0	109.2	112.1	109.8
Manitoba	107.1	98.1	97.2	95.8	94.3
Saskatchewan	89.7	85.4	82.4	80.8	83.6
Alberta	98.7	95.9	96.3	93.8	93.2
British Columbia	101.7	97.2	100.2	98.1	95.6
Yukon	182.6	178.6	179.6	173.9	175.8
Northwest Territories	120.1	118.4	120.3	120.2	118.0
Total	105.1	106.4	102.7	104.1	102.4

	1985	1986	1987	1988	1989
All Alcoholic Beverages					
Newfoundland	134.0	107.2	133.6	137.9	138.0
Prince Edward Island	108.8	106.2	102.8	100.5	99.1
Nova Scotia	112.1	110.4	106.8	107.1	105.6
New Brunswick	108.3	105.3	100.1	100.2	96.7
Quebec	126.6	124.5	120.4	124.4	123.0
Ontario	128.4	131.5	129.5	133.0	129.7
Manitoba	125.6	117.3	115.1	113.1	110.4
Saskatchewan	106.8	102.7	98.9	97.2	98.5
Alberta	124.1	122.3	120.5	116.6	115.0
British Columbia	132.8	128.1	131.0	128.7	123.8
Yukon	219.4	214.1	214.3	210.6	206.1
Northwest Territories	145.1	142.1	142.0	142.3	139.8
Total	126.1	127.7	123.2	124.8	122.4

Sales in Hectolitres – 5 years

Approximate Hectolitres (Includes Producer Outlet Sales)

Spirits and Wine have been steadily losing volume over the last five years. Beer has been steadily losing volume over the last three years. Coolers peaked in approximately 1989 and have been losing volume over the last two years.

	1991	%	1990	%	1989	%	1988	%	1987	%
Spirits										
Canadian	45,316.0		48,853.9		50,412.5		51,198.9		52,388.1	
Imported	6,777.0		7,022.8		6,689.7		6,357.4		6,016.8	
Total	52,093.0	7.5%	55,876.7	7.6%	57,102.2	7.7%	57,556.3	7.7%	58,404.9	7.9%
Wine										
Canadian	25,357.8		28,268.6		30,795.3		33,758.3		35,117.9	
Imported	16,121.5		16,437.3		14,825.0		14,305.4		15,217.0	
Total	41,479.3	5.9%	44,705.9	6.1%	45,620.3	6.1%	48,063.7	6.4%	50,334.9	6.8%
Beer										
Canadian	590,348.5		618,675.6		620,551.3		625,844.1		619,370.5	
Imported	4,577.0		4,458.3		4,188.7		3,935.7		3,985.0	
Total	594,925.5	85.1%	623,133.9	84.6%	624,740.0	84.2%	629,779.8	84.2%	623,355.5	83.9%
Coolers										
Canadian	10,539.7		12,691.6		14,203.6		12,414.2		10,611.7	
Imported	178.8		245.3		236.6		256.3			
Total	10,718.5	1.5%	12,936.9	1.8%	14,440.2	1.9%	12,670.5	1.7%	10,611.7	1.4%
Grand Total	699,216.3	100.0%	736,653.4	100.0%	741,902.7	100.0%	748,070.3	100.0%	742,707.0	100.0%

Sales by Stores

March 31, 1991

Largest Sales Halifax area (excluding licensee operation) ..... *Agricola Street*
Largest Sales Dartmouth area ..... *Westphal*
Largest Sales Eastern area ..... *New Glasgow*
Largest Sales Cape Breton area ..... *Glace Bay*
Largest Sales Northern area ..... *Truro*
Largest Sales Valley area ..... *Kentville*
Largest Sales South Shore ..... *Yarmouth*

Largest Spirits Sales (all areas excluding licensee operation) ..... *Westphal*
Largest Wine Sales (all areas excluding licensee operation) ..... *Agricola Street*
Largest Beer Sales (all areas excluding licensee operation) ..... *Agricola Street*
Largest Cooler Sales (all areas excluding licensee operation) ..... *Westphal*

Largest Sales–all stores–all categories ..... ***Agricola Street***

C – Conventional Store **CB** – Cold Beer **BR** – Bottle Return

Store Number & Name		Spirits	Wine	Beer	Coolers	Total
Region 1 – Halifax						
104 – Agricola Street	CB/BR	3,822,657.09	1,503,157.05	5,132,721.75	135,527.79	$10,594,063.68
110 – Bayers Road	CB/BR	2,435,962.74	752,626.36	2,105,241.75	84,164.51	$5,377,995.36
120 – Clyde Street	CB/BR	2,700,326.17	1,445,437.90	2,955,462.55	118,180.94	$7,219,407.56
145 – Hfx. Shopping Centre	CB/BR	664,955.17	296,059.68	487,953.62	19,418.51	$1,468,386.98
151 – Hollis Street	CB/BR	1,194,987.15	542,733.34	827,971.13	22,542.31	$2,588,233.93
152 – Kempt Road	CB/BR	1,394,799.64	373,394.95	1,521,253.77	41,070.35	$3,330,518.71
155 – Port of Wines I		130,255.80	838,083.79	17,008.76	0.00	$985,348.35
160 – Port of Wines II		73,673.28	408,483.73	23,148.77	3.65	$505,309.43
170 – Rockingham Ridge	CB/BR	2,906,428.01	1,024,460.81	3,682,482.69	136,179.61	$7,749,551.12
180 – Scotia Square	CB/BR	1,137,062.41	425,892.55	644,682.25	32,897.01	$2,240,534.22
185 – Spryfield	CB/BR	1,970,589.85	425,197.38	2,968,730.48	80,488.72	$5,445,006.43
195 – Tantallon	BR	1,463,770.34	443,593.18	1,835,504.01	53,395.08	$3,796,262.61
199 – Licensee Operation	CB/BR	6,430,729.42	2,633,635.99	18,922,294.05	371,850.49	$28,358,509.95
Total		26,326,197.07	11,112,756.71	41,124,455.58	1,095,718.97	$79,659,128.33
Region 2 – Dartmouth						
201 – Airport		1,063,409.14	248,145.70	610,270.73	9,372.92	$1,931,198.49
202 – Bedford Place	CB/BR	2,688,300.70	933,282.98	2,486,106.28	104,670.86	$6,212,360.82
209 – Dart. Bridge Plaza	BR	2,502,925.49	674,388.80	2,741,967.30	103,257.02	$6,022,538.61
210 – Dart. Burnside	CB/BR	433,871.73	74,763.38	382,935.10	9,421.33	$900,991.54
211 – Dart. Canal Street	CB/BR	2,001,211.93	679,368.08	2,038,921.20	60,270.72	$4,779,771.93
219 – Dart. Westphal	CB/BR	4,027,999.14	1,136,727.12	4,494,000.32	196,331.30	$9,855,057.88
Total Dartmouth		8,966,008.29	2,565,247.38	9,657,823.92	369,280.37	21,558,359.96
222 – Kennetcook L.M.	CB/BR	338,819.34	29,171.35	586,616.43	13,949.65	$968,556.77
223 – Elmsdale	BR	1,145,427.47	186,736.99	1,827,733.35	56,680.67	$3,216,578.48
227 – Forest Hills	CB/BR	3,080,815.14	1,009,690.40	3,760,956.52	169,052.13	$8,020,514.19
270 – Porters lake	CB/BR	1,002,454.58	164,150.21	1,365,783.72	37,841.46	$2,570,229.97
275 – Sackville Town	CB/BR	2,575,279.15	504,604.10	3,726,095.10	141,149.39	$6,947,127.74
280 – Sheet Harbour	BR	589,402.07	71,693.88	644,347.36	16,208.90	$1,321,652.21
285 – Stewiacke	BR	793,760.15	102,179.74	1,182,600.93	32,659.55	$2,111,200.37
290 – Eastern Passage	CB/BR	609,179.83	131,110.90	1,009,668.49	37,563.33	$1,787,522.55
297 – Musquodoboit	CB/BR	587,474.89	84,142.08	506,067.76	19,562.04	$1,197,246.77
Total		23,440,330.75	6,030,155.71	27,364,070.59	1,007,991.27	$57,842,548.32

Store Number & Name		Spirits	Wine	Beer	Coolers	Total
Region 3 — Eastern						
303 – Antigonish	CB/BR	3,621,123.50	552,025.13	4,139,883.02	78,980.71	$8,392,012.36
307 – Arichat	CB/BR	716,637.33	105,170.39	794,891.75	12,197.63	$1,628,897.10
312 – Canso	CB/BR	410,525.71	44,447.08	647,023.06	9,288.95	$1,111,284.80
317 – Guysborough	BR	473,496.44	86,653.73	653,632.69	15,902.82	$1,229,685.68
340 – Mulgrave	CB/BR	351,557.79	49,057.80	535,443.96	8,504.82	$944,564.37
345 – New Glasgow	CB/BR	3,439,054.75	619,318.16	4,746,694.41	139,109.26	$8,944,176.58
346 – New Glasgow Licensee		146,887.53	9,479.52	516,858.73	8,065.84	$681,831.62
348 – Pictou	CB/BR	1,158,915.42	232,103.60	1,423,453.72	37,494.15	$2,851,966.89
355 – Port Hawkesbury	CB/BR	1,986,568.41	314,876.04	2,395,995.78	46,491.58	$4,743,931.81
360 – Port Hood	CB/BR	624,978.14	81,863.01	628,940.62	9,114.35	$1,344,896.12
370 – Sherbrooke	CB/BR	335,634.34	44,751.85	407,769.50	11,353.12	$799,508.84
375 – Stellarton	BR	878,793.36	132,527.08	1,023,996.41	25,555.34	$2,060,872.19
380 – St. Peters	CB/BR	599,116.61	94,227.77	1,008,917.21	17,158.58	$1,719,420.17
387 – Trenton		534,642.24	70,511.66	633,256.49	12,421.03	$1,250,831.42
397 – Westville	CB/BR	621,465.49	85,211.14	1,026,051.31	21,870.28	$1,754,598.22
Total		15,899,397.06	2,522,223.99	20,582,808.66	454,048.46	$39,458,478.17
Region 4 – Cape Breton						
408 – Baddeck	CB/BR	1,002,145.17	232,105.59	1,223,103.28	27,814.21	$2,485,168.25
413 – Cheticamp	CB/BR	644,707.10	96,414.24	1,044,507.14	19,168.24	$1,804,796.72
418 – Dominion	BR	530,266.65	68,080.72	905,015.01	16,576.34	$1,519,938.72
426 – Glace Bay	CB/BR	2,814,007.32	346,226.86	4,519,714.45	106,917.38	$7,786,886.01
427 – Glace Bay Licensee		117,373.90	4,050.16	472,238.75	5,881.56	$599,544.37
431 – Ingonish	CB/BR	605,024.40	115,578.79	823,225.27	23,174.94	$1,567,003.40
436 – Inverness	BR	869,383.53	84,717.47	995,192.39	21,675.47	$1,970,968.86
441 – Louisbourg	BR	483,996.31	46,167.43	608,198.46	12,729.14	$1,151,091.34
445 – New Waterford	CB/BR	1,209,690.98	166,556.04	2,680,308.92	46,111.26	$4,102,667.20
451 – North Sydney	BR	2,347,961.34	266,254.46	2,910,953.06	92,431.20	$5,617,600.06
473 – Sydney Ashby	BR	1,480,625.82	184,706.80	1,251,557.32	35,919.70	$2,952,809.64
474 – Sydney Ashby Licensee		1,119,213.95	190,835.09	3,379,144.25	79,314.57	$4,768,507.86
479 – Sydney	BR	3,412,042.44	621,125.72	3,530,037.88	100,922.09	$7,664,128.13
483 – Sydney Whitney Pier	C	552,570.11	53,280.99	697,766.24	10,908.13	$1,314,525.47
Total Sydney		6,564,452.32	1,049,948.60	8,858,505.69	227,064.49	$16,699,971.10
490 – Sydney Mines	CB/BR	1,148,086.35	125,226.87	2,242,365.10	46,720.40	$3,562,398.72
496 – Sydney River	CB/BR	3,229,558.84	608,768.05	3,279,534.50	101,993.90	$7,219,855.29
Total		21,566,654.21	3,210,095.28	30,562,862.02	748,258.53	$56,087,870.04
Region 5 — Northern						
502 – Amherst	CB/BR	1,378,292.64	284,924.86	2,740,135.16	73,267.33	$4,476,619.99
503 – Amherst L.M.	CB	449,319.42	85,362.06	493,726.88	25,780.56	$1,054,188.92
510 – Bible Hill	BR	956,074.33	146,765.67	1,144,563.08	33,159.14	$2,280,562.22
522 – Joggins	C/CB/BR	111,345.45	13,755.09	262,417.55	5,159.16	$392,677.25
538 – Oxford	BR	396,884.75	47,242.84	533,001.83	20,552.11	$997,681.53
543 – Parrsboro	CB/BR	472,919.60	63,246.23	746,160.70	23,745.60	$1,306,072.13
553 – Pugwash	C/BR	386,075.41	40,488.57	546,240.92	14,829.79	$987,634.69
558 – River John	C/BR	210,482.66	30,858.38	337,312.17	6,813.72	$585,466.93
567 – Springhill	CB/BR	482,010.22	72,015.46	992,512.06	23,139.17	$1,569,676.91
582 – Tatamagouche	CB/BR	456,435.83	78,214.25	742,870.50	20,910.55	$1,298,431.13
592 – Truro	CB/BR	3,706,866.99	667,973.11	4,860,816.64	160,511.60	$9,396,168.34
593 – Truro Licensee		187,395.51	24,225.01	538,510.40	13,503.58	$763,634.50
594 – Truro L.M.	CB	831,120.28	128,425.87	923,506.37	44,795.63	$1,927,848.15
Total		10,025,223.09	1,683,497.40	14,861,774.26	466,167.94	$27,036,662.69

Store Number & Name		Spirits	Wine	Beer	Coolers	Total
Region 6 — Valley						
602 – Annapolis	CB/BR	806,704.84	200,259.11	1,158,324.96	51,710.57	$2,216,999.48
611 – Berwick	CB/BR	897,188.65	149,008.17	1,350,567.23	41,094.69	$2,437,858.74
615 – Bridgetown	CB/BR	489,260.74	82,935.39	558,088.96	14,644.97	$1,144,930.06
620 – Digby	CB/BR	1,610,048.16	306,469.15	1,998,978.87	64,172.65	$3,979,668.83
630 – Hantsport	CB/BR	322,706.62	46,311.43	329,859.81	10,298.19	$709,176.05
646 – Kentville	CB/BR	1,718,462.46	423,194.53	2,857,377.43	105,303.96	$5,104,338.38
648 – Kingston	BR	1,304,267.82	344,399.60	2,163,612.31	95,612.99	$3,907,892.72
665 – Meteghan	CB/BR	901,509.65	136,980.50	1,473,304.74	37,661.86	$2,549,456.75
670 – Middleton	CB/BR	741,835.09	143,977.41	1,038,704.14	34,101.37	$1,958,618.01
674 – New Minas	CB/BR	1,685,266.98	384,467.21	2,176,770.14	105,836.45	$4,352,340.78
692 – Weymouth	BR	474,139.36	70,384.01	718,801.41	16,153.64	$1,279,478.42
695 – Windsor	CB/BR	1,750,652.38	249,809.83	2,293,951.26	74,244.58	$4,368,658.05
698 – Wolfville	CB/BR	827,762.60	305,633.87	1,146,788.58	45,951.17	$2,326,136.22
Total		13,529,805.35	2,843,830.21	19,265,129.84	696,787.09	$36,335,552.49
Region 7 — South Shore						
705 – Bridgewater	BR	3,062,227.16	612,427.66	3,470,216.04	109,435.46	$7,254,306.32
706 – Bridgewater L.M.	CB	553,538.36	107,902.99	454,734.01	27,788.77	$1,143,964.13
710 – Caledonia	CB/BR	306,190.61	33,815.25	326,525.96	12,561.73	$679,093.55
715 – Chester	CB/BR	1,045,704.79	285,138.20	1,199,112.49	31,977.06	$2,561,932.54
725 – Hubbards	CB/BR	560,783.40	135,704.78	698,367.91	18,353.31	$1,413,209.40
755 – Liverpool	CB/BR	1,699,976.87	253,210.81	1,570,509.39	41,685,90	$3,565,382.97
760 – Lockeport	C/BR	264,978.30	35,371.45	242,555.48	8,215.75	$551,120.98
765 – Lunenburg	CB/BR	1,455,094.54	236,955.12	1,018,929.08	40,364.86	$2,751,343.60
770 – Mahone Bay	CB/BR	778,877.80	203,319.84	958,833.42	30,478.03	$1,971,509.09
775 – New Germany	CB/BR	351,851.71	50,750.75	579,587.15	10,638.88	$992,828.49
785 – Shelburne	CB/BR	1,612,680.44	182,678.77	1,697,640.99	56,358.90	$3,549,359.10
790 – West Pubnico	BR	783,366.07	68,010.71	660,353.59	21,204.29	$1,532,934.66
798 – Yarmouth	CB/BR	3,377,024.77	550,752.91	3,799,564.71	116,219.75	$7,843,562.14
Total		15,852,294.82	2,756,039.24	16,676,930.22	525,282.69	$35,810,546.97
Total Store Sales		126,639,902.35	30,158,598.54	170,438,031.17	4,994,254.95	$332,230,787.01
Producer Sales			600,268.10	2,917,419.73		$3,517,687.83
Grand Total Sales		126,639,902.35	30,758,866.64	173,355,450.90	4,994,254.95	$335,748,474.84

At our Eastern Passage store, Brian Ellis, store clerk

Blue

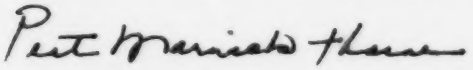
Auditors' Report

To the Honourable Neil LeBlanc
Minister in Charge of Administration
Liquor Control Act
Province of Nova Scotia
Halifax, Nova Scotia

We have audited the balance sheet of the Nova Scotia Liquor Commission as at March 31, 1991 and the statements of income and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.



June 7, 1991

Balance Sheet

		Year Ended March 31 1991	1990
Assets	Current assets		
	Cash	**$2,959,067**	$3,710,258
	Accounts receivable	**2,425,304**	975,937
	Inventories of stock in warehouse and stores	**13,036,324**	14,886,450
	Prepaid expenses	**656,355**	582,914
		19,077,050	20,155,559
	Property and equipment		
	Furniture, fixtures, and portable equipment	**8,220,566**	6,184,162
	Other equipment	**4,684,431**	4,288,495
	Land and buildings	**10,933,777**	10,866,062
	Capital and leasehold improvements	**13,235,481**	13,911,118
		37,074,255	35,249,837
	Less accumulated depreciation and amortization	**21,659,472**	21,323,852
		15,414,783	13,925,985
	Assets under capital leases	**10,830,848**	10,830,848
	Less accumulated amortization	**2,733,626**	2,183,446
		8,097,222	8,647,402
		$42,589,055	$42,728,946
Liabilities	Current liabilities		
	Accounts payable	**$8,704,147**	$6,208,080
	Current portion of obligations under capital leases (note 2)	**132,060**	115,661
		8,836,207	6,323,741
	Long-term liability		
	Obligations under capital leases (note 2)	**10,297,453**	10,429,513
	Due to Minister of Finance:		
	Balance, beginning of year	**25,975,692**	20,367,741
	Remittances	**25,975,692**	20,367,741
	Current year		
	Net income	**73,799,551**	83,349,033
	Remittances	**50,344,156**	57,373,341
	Balance, end of year	**23,455,395**	25,975,692
	Operating leases (note 5)		
		$42,589,055	$42,728,946

Statement of Income

	Year Ended March 31			
	1991	% of Sales	1990	% of Sales
Sales	$335,694,294	100.0	$341,884,129	100.0
Cost of goods sold	180,170,042	53.7	184,470,669	54.0
	155,524,252	46.3	157,413,460	46.0
Stores' operating expenses (note 3)	30,984,994	9.2	29,076,470	8.5
Income, store operations	124,539,258	37.1	128,336,990	37.5
Administrative expenses (note 3)	17,189,787	5.1	15,611,262	4.6
Other revenue	(2,768,049)	(0.8)	(2,678,035)	(0.8)
Other expenses	563,947	0.2	501,640	0.1
	14,985,685	4.5	13,434,867	3.9
Income from operations	109,553,573	32.6	114,902,123	33.6
Maintenance of Royal Canadian Mounted Police (note 4)	35,754,022	10.6	31,553,090	9.2
Net income	$73,799,551	22.0	$83,349,033	24.4

Statement of Changes in Financial Position

	Year ended March 31	
	1991	1990
Cash provided by (used in):		
Operations		
Net income	$73,799,551	$83,349,033
Depreciation and amortization not involving cash	2,508,574	2,197,493
Change in non-cash operating working capital	2,823,385	(1,474,440)
	79,131,510	84,072,086
Financing		
Principal payments on obligations under capital leases	(115,661)	(96,768)
Investments		
Additions to property and equipment (net)	(3,447,192)	(3,881,879)
Other		
Remittances to Minister of Finance	(76,319,848)	(77,741,082)
Increase (decrease) in cash	(751,191)	2,352,357
Cash, beginning of year	3,710,258	1,357,901
Cash, end of year	$2,959,067	$3,710,258

Notes to Financial Statements

Year ended March 31, 1991

General

The Commission is incorporated under the laws of the Province of Nova Scotia and administers the Liquor Control Act, Chapter 169 from the Revised Statutes of Nova Scotia, 1967.

1. Significant accounting policies

Inventories

Inventories of stock in warehouse and stores are valued at the lower of costs and net realizable value. Customs and excise tax have not been included where payment is due upon shipment from bonded warehouse.

Property and equipment:

Property and equipment are stated at cost. Depreciation and amortization are provided on the straight-line basis at the following annual rates:

Asset	*Rate*
Furniture, fixtures, portable equipment, other equipment and capital, and leasehold improvements	10%
Land and buildings	5%

In the year of addition, depreciation is charged at the full annual rate.

Land costs which normally would not be depreciated are written off due to the retention of proceeds by the Province of Nova Scotia.

Assets under capital leases

Assets under capital leases are amortized over their estimated useful lives using the straight-line method.

2. Obligations under capital leases

The Commission has obligations under capital leases, which mature in 1993 and 2011. The obligations represent the total present value of future minimum lease payments discounted at the rates implicit in the leases which are 11.9% and 13.8%. The following is a schedule by years of future minimum lease payments together with the balance of the obligations under capital leases as of March 31, 1991:

1992	$1,580,021
1993	1,542,542
1994	1,536,446
1995	1,536,446
1996	1,536,446
1997–2011	24,199,018
Total minimum lease payments	31,930,919
Less amount representing interest	21,501,406
Balance of obligation	10,429,513
Less current portion of obligations under capital leases	132,060
	$10,297,453

3. Expenses

Depreciation of property and equipment and amortization of leasehold improvements is recorded in expenses as follows:

	1991	1990
Stores' operating expenses	$1,466,652	$1,331,372
Administrative expenses	491,742	315,941
	$1,958,394	$1,647,313
Administrative expenses also include the following:		
Interest on obligations under capital leases	$1,464,359	$1,475,990
Amortization of assets under capital leases	$550,180	$550,180

4. Maintenance of Royal Canadian Mounted Police

Payments are made in accordance with the Liquor Control Act, as certified by the Minister of Finance, to cover the expenditures in connection with the establishment and maintenance of the Royal Canadian Mounted Police.

5. Operating leases

The Commission leases buildings, premises and equipment under operating leases which expire at various dates between 1992 and 2008. Some of these operating leases contain renewal options at the end of the initial lease term.

The following is an approximate schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31, 1991:

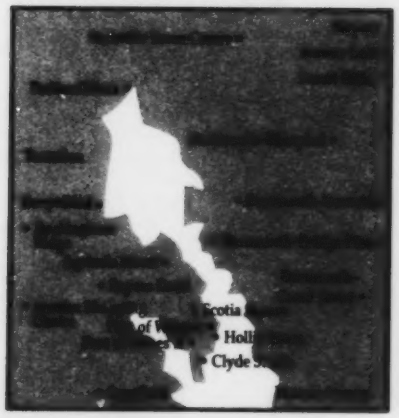
1992	$1,831,028
1993	1,753,419
1994	1,572,020
1995	1,492,033
1996	1,256,800
1997 to 2011	8,560,365
Total minimum payments required	$16,465,665

At our Rockingham Ridge store, from left to right are: front row, manager Terry Devanney, Mark Boudreau, and Ivan Blades. In the back row are Steve Brown and Steven Anctil

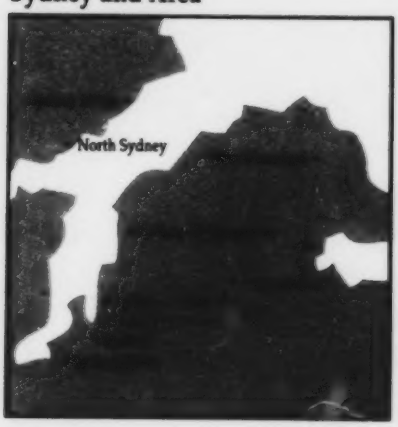
Distribution of Stores

as of March 31, 1991

Halifax/Dartmouth Area



Sydney and Area



Organizational Chart